



Attorney General Jon Bruning

NEWS RELEASE

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Attorney General Bruning Announces \$3 Million Settlement with Pharmaceutical Company

Note: A sound bite on this topic will be available shortly at: <http://www.ago.ne.gov>

(Lincoln, Neb.) Attorney General Jon Bruning announced that Nebraska received almost \$3.2 million as part of a settlement totaling \$389 million with drug company Bristol-Myers Squibb (BMS) and its former subsidiary Apothecon, Inc. The settlement involves 43 states and the District of Columbia.

“We’re pleased to have recovered over \$3 million dollars for Nebraska,” said Bruning. “This is a big win for Medicaid programs across the country and right here at home.”

The settlement addresses allegations that BMS engaged in illegal marketing and pricing of prescription medications including:

- Reporting inflated prices for prescription drugs knowing that Medicaid and various federal health care programs would use the reported prices to pay for BMS and Apothecon products used by participants.
- Paying illegal compensation to health care providers and pharmacies to persuade them to buy BMS and Apothecon products.
- Promoting the sale and use of Abilify, an antipsychotic drug, for use in children and for treatment of dementia-related psychosis, uses which the federal Food and Drug Administration hasn’t approved.
- Misreporting sale prices for Serzone, an antidepressant, resulting in the improper reduction of the amount of rebates paid to the state Medicaid programs.

The settlement reimburses the federal government and participating states for excessive amounts paid by Medicaid programs as a result of the company’s conduct.

Nebraska’s settlement goes to Health and Human Services, the agency that runs the state’s Medicaid program.

BMS also entered into a Corporate Integrity Agreement and will be required to report its sales prices and average manufacturers prices accurately.

The case was handled by the National Association of Medicaid Fraud Control Units and the Nebraska Medicaid Fraud Control Unit of the Attorney General’s Office.

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